

**City Council Work Session Minutes
Transient Lodging Tax Ad-Hoc Advisory Group Part II**

**Monday, October 9, 2017
6:00 p.m., Conference Room**

***Minutes are unofficial until approved by Council.
Council approved minutes as presented October 23, 2017.***

1. ROLL CALL:

Mayor Peter Truax called the Work Session to order at 6:20 p.m.

ROLL CALL: COUNCIL PRESENT: Thomas Johnston, Council President; Timothy Rippe; Ronald Thompson; Elena Uhing; Matthew Vandehey; and Mayor Peter Truax.

COUNCIL ABSENT: Malynda Wenzl, excused.

STAFF PRESENT: Jesse VanderZanden, City Manager; Paul Downey, Administrative Services Director; Jeff King, Economic Development Manager; and Anna Ruggles, City Recorder.

2. WORK SESSION: TRANSIENT LODGING TAX (TLT) AD-HOC ADVISORY GROUP PART II

King and VanderZanden facilitated the work session, noting the purpose of the work session was to recap and seek input from Council on the recommendations of the TLT Ad-hoc Advisory Group. King introduced Steve Vuylsteke, Sake One, Advisory Chair, who presented a PowerPoint presentation overview recapping the advisory group's findings and recommendations, noting the group presented their preliminary recommendations to Council on April 24, 2017, Work Session. Carolyn McCormick, Washington County Visitors Association (WCVA) Executive Director, was also present in the audience. Vuylsteke reported after the Council Work Session, the advisory group met four more times between May and September and concluded recommending the City implement a 2.5 percent TLT (approximately \$100,000 per year), noting this is an increase from the advisory group's initial recommendation of two percent (\$80,000 per year) as it was found that hiring a non-WVCA tourism coordinator would cost approximately \$30,000 per year, leaving approximately \$50-\$70,000 per year for capital projects, marketing and events. In addition, Vuylsteke recapped the advisory group's recommendations and potential next steps as follows:

- Established three programs: 1) Capital Projects Fund, 2) Promotion and Marketing Fund and 3) Innovative Projects and Events Development Fund.
- Establish Tourism Stakeholders Committee comprised of 9-11 members, not appointed by Council, who would recommend capital projects to Council and approve marketing and events.
- Establish an Executive Committee comprised of three members (Chamber member, City member and member selected from the Tourism Committee) who would ensure compliance with contractual obligations.
- Establish a 2.5 percent TLT instead of two percent.
- Hire part-time Tourism Coordinator (city contract or city employee) to serve as a single point of contact for all tourism-related issues and to establish, implement and administer all local tourism programs.

Council Discussion:

Mayor Truax opened the floor and roundtable discussion ensued pertaining to the advisory group's recommendation for the City to establish a 2.5 percent TLT to fund a Tourism Program as summarized in the PowerPoint presentation. Vuylsteke, King and VanderZanden responded to various concerns, inquiries and scenarios Council presented pertaining to the advisory group's recommendations, noting the 2.5 percent TLT would be above the 10.8 percent already charged by the county and state, of which 70 percent of the revenues must be dedicated to tourism-related purposes. It was noted that each one percent increase generates approximately \$40,000 per year. Roundtable discussion ensued pertaining to the duties outlined for the part-time tourism coordinator, such as attending trade shows; whether the coordinator should report to the Chamber or the City, because tourism is not a city-related function; adding an at-large member to serve on the Tourism Committee; capital projects long-term funding plan; and recommendation to increase TLT to 2.5 percent, to which Vuylsteke affirmed the hoteliers supported the City implementing a 2.5 percent TLT. In conclusion of the above-noted discussion, Council collectively voiced consensus to proceed with the advisory group's recommendation, to which VanderZanden advised staff would draft an ordinance establishing the TLT, draft an intergovernmental agreement with Washington County to collect the TLT funds, draft resolutions establishing program areas, tourism committee and tourism fund to allow for TLT collection and expenditure. VanderZanden added staff would plan to bring back proposed ordinance and resolutions at an upcoming Council meeting..

Council took no formal action nor made any formal decisions during the work session.

3. ADJOURNMENT

Mayor Truax adjourned the work session at 6:54 p.m.

Respectfully submitted,



Anna D. Ruggles, CMC, City Recorder